



Submission to

Standing Committee

Infrastructure, Transport and Cities

by

RDA Hunter

The role of transport connectivity in stimulating development and economic activity both in major urban areas, and in regional Australia



An Australian Government Initiative



A NSW Government Initiative

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RDA HUNTER

Regional Development Australia (RDA) Hunter is an autonomous organisation that fosters economic development for the Hunter region of NSW. By taking the lead role on initiatives and collaborating with local stakeholders, RDA Hunter supports:

- Economic growth and Productivity gains;
- Jobs and a Skilled Workforce for the future;
- Federal and State programmes at a regional level;
- Integrated long-term planning; and
- Local businesses and industries developing globally competitive advantages.

RDA Hunter advocates strongly for the region and provides independent and impartial advice directly to governments on priorities and issues. Our activities and initiatives support three strategic areas: **investment**; **infrastructure**; and **innovation**.

Actions by RDA Hunter that foster inter-connections between these three strategic themes help to meet the regional development goals of Commonwealth, State and Local governments.

Strategic planning by RDA Hunter

RDA Hunter works with Hunter stakeholders to:

- Identify funding opportunities, – from January 2010, funding commitments totalling over \$850million for the Hunter has been directly secured by RDA Hunter advocacy and projects;
- Collaborate with other key stakeholders, – so far leading 60 regionally significant projects and partnering on planning and service delivery programmes;
- **Hunter Regional Plan** – presenting integrated planning strategies to progress the priorities of the Hunter. An updated Regional Plan will be launched by mid-2016;
- **Hunter Investment Prospectus** – an annual publication to promote the region’s comparative and competitive advantages and attract investment; and
- **Hunter Economic Infrastructure Plan** which identifies infrastructure priorities and advises planning and funding partners of the business cases for projects that will deliver efficiencies and support productivity improvements. Produced in partnership with I-NSW.

Economic linkages between the Lower Hunter and the Upper Hunter are intensifying due to streamlined supply chains and improving transport connection. Effective responses to community concerns regarding land-use management, transport networks, energy production, tourism and events promotion require integrated planning, policy development and statistical analysis for the entire region from all levels of government. RDA Hunter works directly with Hunter planners and policymakers to consider the whole region and its relationships beyond the boundaries of LGAs, electorates or clusters that divide the region into “upper” and “lower” segments.

THE HUNTER – A REGION OF ECONOMIC STRENGTH

The Hunter is located north, north-west of Sydney. For statistical purposes, the Hunter is often represented as two regions: *Newcastle and Lake Macquarie* and *Hunter Valley exc. Newcastle*.

At a government level, the Hunter currently contains 6 Federal electorates, 10 State electorates and 11 local government areas.

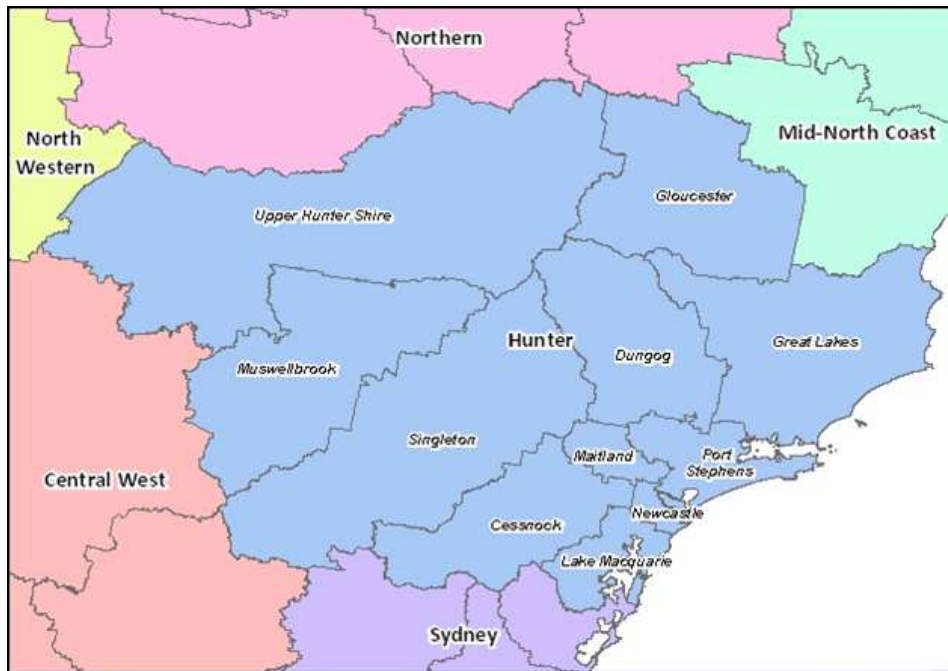


Figure 1 Hunter Statistical Division
Hunter SD - ASGC, 2007 Cat. No. 1216.0.¹

Hunter's Population

The Hunter has around 9% of NSW population. Most of the population of the region lives within 25 km of the coast, with 54.4% of the Hunter's population living in the Newcastle and Lake Macquarie Local Government Areas (LGAs).

"In 2012-13, the Hunter Valley (exc. Newcastle) SA4 had the largest population growth in the rest of NSW, up by 3,800 people, followed by adjacent Newcastle and Lake Macquarie (3,500). In Newcastle and Lake Macquarie, the largest and fastest growth in the year to 2013 was in the SA2 of Edgeworth - Cameron Park, up by 410 people (3.3%). Adjacent Glendale - Cardiff - Hillsborough in the north of the Lake Macquarie region grew by 320 people, followed by Morisset - Cooranbong (260) on the western shore of Lake Macquarie. Beresfield - Hexham recorded the only decline in the region, down by 30 people."²

¹ Source: http://www.ipc.nsw.gov.au/Lawlink/bocsar/II_bocsar.nsf/pages/bocsar_sd_hunter

² Reference: 3218.0 - *Regional Population Growth, Australia, 2012-13*. Australian Bureau of Statistics. April 2014

Hunter Comparative Advantages and Economic Highlights

The region's natural comparative advantages, include proximity to Sydney, deep water sea port, fresh water rivers, productive lands and a diverse supply of resources.

The Hunter is the major region for economic activity in New South Wales:

- Gross Regional Product for 2013 of \$38.5 billion, ranking above Tasmania, NT and ACT;
- Contributing more than 8 per cent of Gross State Product and 2.6 per cent of GDP;
- A population of 661,500 in 2013;
- An additional 117,850 people expected to be living in the region by 2036;
- In 2013-14, the Port of Newcastle's total trade value was \$15.5 billion from 159.6 million tonnes in throughput, including 154.4 million tonnes of coal exports, and
- Producing upwards of 60 per cent of the electricity for the State of NSW.

The Hunter is widely known as a major centre for mining and resources with a history of large-scale heavy industry. However, it is the small and medium enterprises (SMEs) sector which constitutes the majority of businesses in the region.

RDA Hunter commissioned Deloitte Access Economics to analyse economic data and report on possible impacts of various trends and scenarios on the Hunter's future. In *Prospects and Challenges for the Hunter Region – a strategic economic study*³ it is forecast that by 2036, the Hunter's economy will have grown by about 75 per cent, to be delivering a Gross Regional Product of \$64.8 billion.

The Hunter is in the top 10 Australian regions for infrastructure direct economic contribution (DEC).

Table 1: Hunter infrastructure DEC, 2031 (\$m)

| | 2011 \$m | 2031 \$m |
|------------------------------|--------------|---------------|
| Newcastle and Lake Macquarie | 4,725 | 7,741 |
| Hunter Valley exc. Newcastle | 3,607 | 6,134 |
| | 8,332 | 13,875 |

Australian Infrastructure Audit, 2015

The Hunter's positive economic development will be built on the region's capacity to:

- Grow through the attraction of investment and talent;
- Construct the economic infrastructure required to maximise its comparative advantages;
- Secure smart partnerships to overcome challenges and commercialise opportunities; and,
- Energise its innovation system to support internationally competitive businesses.

³ The Deloitte Access Economics report is available at: <http://www.rdahunter.org.au/> under 'Initiatives'.

Transport, infrastructure and cities plans for the east coast of Australia need to start taking into account the existence of a high speed rail network. High Speed Rail report (2013) prepared by a consortium led by AECOM provides a considered starting point for planning and scoping 'where to next'.

1. TOWARDS A STRONGER REGIONAL ECONOMY

The context in which the Hunter is building a stronger regional economy includes:

- The pressing need to attract more residents, more and new businesses, and to retain its talented and skilled workforce to the level that delivers investors with the capacity and capability certainty required to contract delivery of service and goods to markets.
- Local communities that have recently experienced the benefits of a boom and the harsh realities of an investment downturn in mining construction.
- An increasing road freight task which is forecast to continue increasing for decades.
- Housing affordability issues in places where people want to live and can access employment without long, congested daily commutes.
- A limited number of international passenger gateways and transport options.

RDA Hunter views high speed rail that better connects the Hunter region with Brisbane, Canberra, Melbourne and Sydney as a significant opportunity for regional development.

2. RDA HUNTER'S SUPPORT FOR HIGH SPEED RAIL

RDA Hunter is a supporter of the plan to construct an east coast high speed rail network and is proactively making the case for the **Newcastle to Sydney to Canberra stages to be the first constructed.**

In 2011, RDA Hunter formed a working party to help raise awareness of the economic development opportunities of a high speed rail network for the Hunter, neighbouring regions and the nation. A delegation from this working party to Canberra provided Ministers and Departmental Advisers with insights to assist the coordination of land use planning for the high speed rail network and communicated the economic and social benefits of this project to regional Australia.

In addition to RDA Hunter, this stakeholder group consists of RDAs from Central Coast, Sydney, Southern Inland, Mid-North Coast, and Canberra; the NSW Business Chamber, Canberra Business Council, Hunter Development Corporation, Newcastle Airport and Canberra Airport. This Hunter stakeholder group supports the construction of the high speed rail system and offers the services of the RDA network on Australia's East Coast to assist in the development process.

In 2012, RDA Hunter's CEO spoke at an RDA Central Coast organised high speed rail event, along with representatives from Infrastructure Australia and Central Japan Railway. Presentations drew comparisons of population similarities between the greater Sydney region and the zones in which very fast trains operate in Japan, with outstanding benefits to economic activity.

The next year, the Central Japan Rail Company presented information in Newcastle regarding the experiences of service operations, costs and flow-on benefits between cities of sizes comparable to Sydney and Newcastle.

On the 18th of February 2016, the General Manager of Central Japan Railway, Mr Shohei Yoshida is RDA Hunter's guest at a public event, *The Impact of High Speed Rail – Japan's experience for over 50 years*.

See Appendix 1 for a recent newspaper article from RDA Hunter regarding the economic development benefits of high speed rail.

3. LAND USE AND CORRIDOR PRESERVATION

As a fundamental prerequisite for an east coast high speed rail network, RDA Hunter advocates for the **preservation of the corridor** to enable construction of this transformative project. The Hunter Regional Plan includes this project as an important economic development driver for the region's future.

RDA Hunter assesses the first steps to complete are corridor identification and corridor preservation. Given the role for local and state governments in this national project this corridor preparation work is likely to require negotiation and sure-footed communications.

As a possible solution, RDA Hunter proposes the creation of a legislated body with the power to amend legislation and regulations that would otherwise prevent progress. Taking the Greater Sydney Commission as an example of a state government governance model to manage delivery of a metropolitan plan, establishing an Authority, or Australian High Speed Rail Co-ordinator (AHSRC) would provide a clear and effective focus for investors, land-owners, zoning bodies and infrastructure planners.

AHSRC – A national body with management responsibility for high speed rail implementation entities to be legislated in Victoria, NSW, ACT and Queensland. This National Co-ordinator would have an independent Board that includes representatives from these state-based bodies. Common objectives, reporting requirements and powers to amend environmental and planning laws to meet national objectives of productivity growth, connectivity and regional economic development would be features of the legislation to establish this body.

There are risks for planners and professional advisers, not least of which is the preservation of a pathway that proves to be unworkable. However, and with confidence in Australian ingenuity and international experience, the outcome of completing these fundamental steps will be security of the land on which to build the high speed rail network. This corridor would be a valuable asset.

Protection of the entire route now will save future costs and provide sites for the construction of supporting projects, such as transport interchanges, road upgrades and linking public transport options, to be carried out over time. Certainty on the route will enable planning for connectivity and integration of the high speed rail network into other regional, city, infrastructure, housing, employment and transport plans.

4. JAPAN'S EXPERIENCE – EXAMPLES OF ECONOMIC DEVELOPMENT

The location of stations on the high speed rail network is a crucial decision for the success of the project. Evidence from the CJR Co., as captured in the following images, points to the opportunities for new construction, businesses, job creation and improvements to quality of life through developments in areas around high speed rail stations.

2. Regional Development –Shinyokohama Sta.



Figure 2 – Promoting development of stations

3. Business Opportunities

JR Central Towers -Nagoya Station-

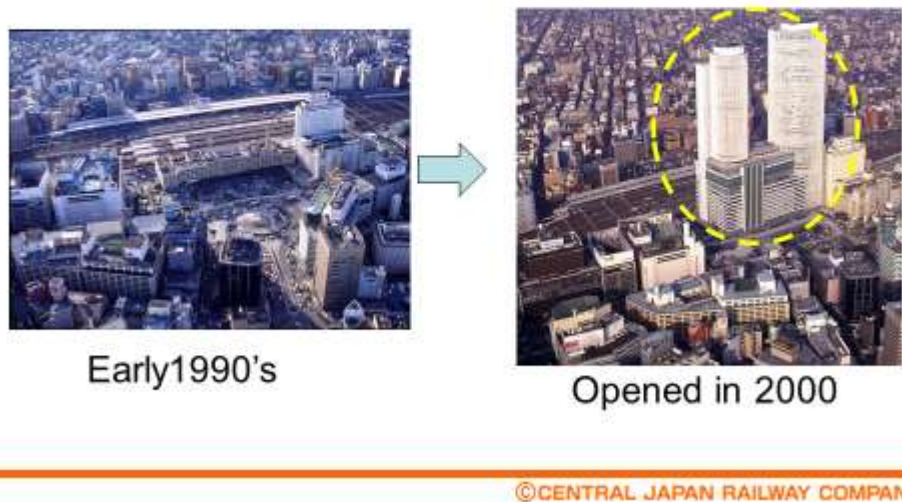


Figure 3 – Transforming under-utilised brownfield land

3. Business Opportunities

Creation of Affiliated Business Jobs



©CENTRAL JAPAN RAILWAY COMPANY

Figure 4 – Delivering jobs, business revenue and economic growth

Financing – Value Capture JRC examples



Figure 5 – Value capture opportunities at high speed rail stations

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APPENDIX 1

Fast-track the Hunter's economic development

By TODD WILLIAMS

Feb. 1, 2016, 9 p.m.

<http://www.theherald.com.au/story/3698851/put-the-hunter-on-a-fast-track/>

There are major economic development opportunities that provide a business case for advocating for the Hunter to be an early participant in Australia's east coast high speed rail (HSR) network.

High speed rail's contribution to economic development remains a topic of interest for governments, businesses and communities. The House of Representatives Standing Committee on Infrastructure, Transport and Cities is accepting submissions as part of two inter-related inquiries: 1) What is the role of Smart ICT in the design and planning of Infrastructure? There is a clear opportunity for Smart ICT to be applied to the task of corridor identification and preservation to ensure the HSR network has the required space in which to be built; 2) What is the role of transport connectivity in stimulating development and economic activity both in major urban areas and in regional Australia?

People are at the beginning, middle and end of economic development. Every stage of the development of a HSR network delivers good prospects for jobs. The Hunter has the skilled workforce necessary to take a lead role in all phases of the construction, manufacturing, maintenance and service delivery of the HSR network.

Travel on the east coast of Australia is forecast to grow at around 1.8 per cent per year over the next 20 years, increasing by approximately 60 per cent by 2035. The economic benefits from using HSR are greatest for businesses that face the costs of long distance travel. Experience shows HSR is a highly productive and energy efficient way to deliver workforce mobility.

HSR could also drive an increase in skills that will be essential for future employment. A green light for the HSR network would trigger a stream of STEM learning experiences for students and research projects in areas such as curve restrictions, braking performance, data processing, track condition assessment, noise management and passenger flow.

World-class transport infrastructure such as a high speed rail network requires vision, sustained political and financial commitment and smart planning.

Mr Shohei Yoshida, GM of Central Japan Railway will present "The Impact of High Speed Rail - Japan's Experience for over 50 years" on February 18. For details, go to rdahunter.org.au and click on News and Events.

Todd Williams is CEO of Regional Development Australia Hunter

Submission Ends